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(VIET NAM)

CPYRGHT

WASHINGTON--U.S. OFFICIALS CONFIRMED PRIVATELY TODAY THAT DISPERSEMENTS UNDER ONE SEGMENT OF THE AMERICAN AID PROGRAM IN SOUTH VIET NAM ARE BEING HELD UP PENDING A POLICY REVIEW.

ON THE RECORD, HOWEVER, THE STATE DEPARTMENT DECLINED TO MAKE THE ACTION OFFICIAL.

"OUR AID PROGRAM IN SOUTH VIET NAM," A STATE DEPARTMENT SPOKESMAN SAID, "IS UNDER CLOSE AND CONTINUING REVIEW IN LINE WITH THE PRESIDENT'S STATEMENT IN HIS LAST PRESS CONFERENCE THAT WHAT HELPS WIN THE WAR WE SUPPORT AND WHAT INTERFERES WITH THE WAR EFFORT WE OPPOSE."

INFORMED OFFICIALS VERIFIED, HOWEVER, THAT ALLOCATION UNDER THE SO-CALLED COMMERCIAL IMPORT PROGRAM FOR SOUTH VIET NAM HAVE BEEN DELAYED PENDING FURTHER REPORTS ON THE POLITICAL SITUATION THERE BY U.S. AMBASSADOR HENRY CABOT LODGE.

THE COMMERCIAL IMPORT PROGRAM, WHICH LAST YEAR TOTALED \$95 MILLION IN VIET NAM IS DESIGNED TO PERMIT THE VIETNAMESE WHO LACK DOLLARS, TO IMPORT NEEDED COMMERCIAL GOODS. IT ALSO SERVES TO GENERATE LOCAL CURRENCY.

UNDER THE PROGRAM, THE UNITED STATES PUTS UP DOLLARS, PERMITTING VIETNAMESE BUSINESS MEN TO ORDER GOODS FROM ABROAD, MAINLY FROM THE UNITED STATES. THEY PAY IN VIETNAMESE CURRENCY.

THE REST OF THE U.S. AID PROGRAM IN VIET NAM IS LARGELY DIVIDED INTO THREE CATEGORIES:

- MILITARY ASSISTANCE.
- TECHNICAL ASSISTANCE, WHICH INCLUDES ROAD BUILDING INTO INACCESSIBLE AREAS, SUPPLYING SPARE PARTS FOR THE RAILROAD, AGRICULTURAL PROGRAMS, MALARIA CONTROL AND PUBLIC HEALTH.
- DIRECT ASSISTANCE, INCLUDING FOOD AND CONSTRUCTION MATERIALS, TO THE "STRATEGIC HAMLETS," A NETWORK OF FORTIFIED VILLAGES BEING SET UP SO THE RURAL POPULATION CAN DEFEND ITSELF AGAINST COMMUNIST GUERRILLAS.

THESE PROGRAMS, OFFICIALS BELIEVE, ARE IN GENERAL DIRECTLY RELATED TO THE WAR EFFORT. THE COMMERCIAL IMPORT PROGRAM IS CONSIDERED LESS DIRECTLY RELATED.

THE LAST ALLOCATIONS UNDER THE IMPORT PROGRAM WERE \$18 MILLION IN EARLY AUGUST, \$13 MILLION OF WHICH WAS ACTUALLY RELEASED, LEAVING \$5 MILLION NOT YET RELEASED.

OFFICIALS SAID IT IS THIS \$5 MILLION, PLUS THE NEXT INSTALLMENT, WHICH ARE BEING DELAYED. THE INSTALLMENTS ARE NORMALLY PAID QUARTERLY.

THE STATE DEPARTMENT SPOKESMAN DID GO SO FAR AS TO SAY THAT IN THE "CLOSE AND CONTINUING REVIEW" TO WHICH HE REFERRED "I INCLUDE THE COMMERCIAL IMPORT PROGRAM."

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